REMARKS

Applicants request favorable reconsideration and allowance in view of the above amendments and the following remarks.

Claims 1-33 are pending, with Claims 1, 12, 13, and 24 being independent. Claims 1 and 13 have been amended. Support for the amendments can be found, for example, at least at page 16, lines 13-24. Therefore, no new matter has been added.

Claims 1, 7-13, and 19-33 were rejected under 35 U.S.C. 103 (a) as being unpatentable over EP0840513A2 (Cox '513) and the article "Capacity of the watermark channel: how many bits can be hidden within a digital image?" (Barni et al.). Claims 2-6 and 14-18 were rejected under 35 U.S.C. 103(a) as being unpatentable over Cox '513 and EP0766468A2 (Cox '468) and Barni et al. Applicants respectfully traverse these rejections for the reasons discussed below.

As recited in independent Claim 1, the present invention includes, *inter alia*, the features of comparing to an estimated capacity a size of a message among a set of messages representing a same message with each having a different number of bits and selecting, from said set of messages, the compared message if said compared message has a size less than or equal to the estimated capacity.

According to the above-mentioned features of the present invention, there is a set of messages representing a same message with each having a different number of bits. For example, the set of messages could be messages that all represent the same watermark using different resolutions (i.e., using a different number of bits). Although the set of messages all represent the same message, the appropriate message to insert in a given

subset of digital data (i.e., the appropriate resolution to use for that particular subset of digital data) may depend on the capacity of that particular subset of digital data to have a message inserted without deterioration of the original data. Accordingly, after estimating a capacity of the subset of digital data to receive a message, the invention of Claim 1 compares the estimated capacity to a size of a message among the set of messages representing the same message with a different number of bits, and selects the compared message if it has a size less than or equal to the estimated capacity.

Applicants submit that the cited art fails to disclose or suggest at least the above-mentioned features of Claim 1. First, Applicants submit that Cox et al. does not disclose or suggest these features. Although the Examiner cites Barni to remedy the deficiencies of Cox et al., Applicants respectfully submit that Barni does not do so.

More specifically, the Examiner cites Barni as allegedly teaching to select, based on a size of a message compared to an estimated capacity and from a set of messages representing a same message with each having a different number of bits, a message having a size less than or equal to the estimated capacity. However, Applicants submit that Barni contains no disclosure or suggestion whatsoever regarding a set of messages representing the same message with each having a different number of bits. Instead, Barni discloses a method for calculating the capacity of an image to receive a watermarked image. As stated in the Conclusion, Barni teaches

A numerical procedure to evaluate the capacity of the watermark-channel has been proposed and used to estimate the number of bits which can be reliably hidden within a piece of data.

Hence, Barni teaches how to estimate the capacity of data for receiving a watermark. Even if that article is read to suggest comparing a watermark to the estimated capacity to decide if a particular watermark can be inserted in the data, there is nothing at all in Barni that talks about a set of messages representing the same message with a different number of bits, and therefore there is nothing about comparing an estimated capacity to a size of a message among such a set of messages and, if the compared message has a size less than or equal to the estimated capacity, selecting the compared message from the set of messages. Accordingly, Applicants submit that even if considered in combination, the cited art fails to disclose or suggest at least the above-mentioned features of Claim 1.

Applicants submit that Claim 13 recites features similar to Claim 1 and is patentable for similar reasons.

Claim 12 recites, among others, the feature of identifying the fact that an extracted message belongs to a set of stored messages representing a same message with each having a different number of bits. Based on the discussion of the cited art above, Applicants submit that the cited art fails to disclose or suggest such a set of messages and therefore fails to disclose or suggest at least the feature of identifying the fact that an extracted message belongs to such a set of messages.

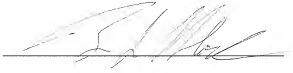
Claim 24 recites features similar to Claim 12 discussed above and is believed patentable for similar reasons.

The dependent claims are patentable for at least the same reasons as the independent claims, as well as for the additional features they recite.

For the foregoing reasons, this application is believed to be in condition for allowance. Favorable reconsideration and an early Notice of Allowance are requested.

Applicants' undersigned attorney may be reached in our Washington, D.C. office by telephone at (202) 530-1010. All correspondence should continue to be directed to our address given below.

Respectfully submitted,



Brian L. Klock
Attorney for Applicants
Registration No.: 36,570

FITZPATRICK, CELLA, HARPER & SCINTO
30 Rockefeller Plaza
New York, New York 10112-3800
Facsimile: (212) 218-2200

BLK:lcw

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